

Marcus A. Helt (TX 24052187)

FOLEY GARDERE

Foley & Lardner LLP

2021 McKinney Avenue

Suite 1600

Dallas, TX 75201

Telephone: (214) 999-3000

Facsimile: (214) 999-4667

Email: mhelt@foley.com

-and-

Jack G. Haake (*pro hac pending*)

FOLEY & LARDNER LLP

Washington Harbour

3000 K Street, N.W., Suite 600

Washington, D.C. 20007-5109

Telephone: (202) 295-4085

Facsimile: (202) 672-5399

Email: jhaake@foley.com

***Proposed Counsel for the Debtors
and Debtors in Possession***

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re:

§ **Chapter 11**

ZENERGY BRANDS, INC.,

§ **Case No. 19-42886**

Debtor.

§

Tax I.D. No. 20-8881686

§

§

In re:

§ **Chapter 11**

ENERTRADE ELECTRIC, LLC,

§ **Case No. 19-42887**

Debtor.

§

§

Tax I.D. No. 46-3798649

§

§

<hr/>	§	
In re:	§	Chapter 11
NAUP BROKERAGE, LLC,	§	Case No. 19-42888
Debtor.	§	
Tax I.D. No. 81-2877899	§	
<hr/>	§	
In re:	§	Chapter 11
ZEN TECHNOLOGIES, INC.,	§	Case No. 19-42889
Debtor.	§	
Tax I.D. No. 81-2827309	§	
<hr/>	§	
In re:	§	Chapter 11
ZENERGY & ASSOCIATES, INC.,	§	Case No. 19-42891
Debtor.	§	
Tax I.D. No. 82-4024022	§	
<hr/>	§	
In re:	§	Chapter 11
ZENERGY LABS, LLC,	§	Case No. 19-42892
Debtor.	§	
Tax I.D. No. 37-1828045	§	
<hr/>	§	
In re:	§	Chapter 11
ZENERGY POWER & GAS, INC.,	§	Case No. 19-42893
Debtor.	§	(Joint Administration Requested)
Tax I.D. No. 81-2841963	§	

DEBTORS' MOTION FOR AN ORDER
(I) DIRECTING JOINT ADMINISTRATION PURSUANT TO
BANKRUPTCY RULE 1015(b) AND (II) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the “Debtors”),¹ by and through their proposed counsel, Foley & Lardner LLP, hereby submit this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), pursuant to Rules 1005, 1015(b), and 2002(n) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 1015-1 of the Local Rules of Bankruptcy Procedure of the United States Bankruptcy Court for the Eastern District of Texas (the “Local Rules”), directing the procedural consolidation and joint administration of the Debtors’ chapter 11 cases. In support of this Motion, the Debtors incorporate the statements contained in the First Day Declaration, filed contemporaneously with this Motion, and further respectfully state as follows:

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Eastern District of Texas (this “Court”) has jurisdiction over these cases, the Debtors, property of the Debtors’ estates and this matter under 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc* from the United States District Court for the Eastern District of Texas, dated August 6, 1984 (the “Standing Order”). This is a core proceeding under 28 U.S.C. § 157(b)(2). The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court in connection with this Motion to the extent that it is later

¹ The Debtors’ filed their voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), on the date hereof (the “Petition Date”). A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors’ chapter 11 cases, are set forth in greater detail in the *Declaration of Joshua Campbell in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed contemporaneously herewith.

determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

3. The statutory basis for the relief requested herein is Bankruptcy Rules 1005, 1015(b), and 2002(n), and Local Rule 1015-1.

Background

4. On the Petition Date, each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee, examiner, or official committee of unsecured creditors has been appointed in the Debtors' chapter 11 cases. No date has been set for a meeting pursuant to section 341 of the Bankruptcy Code.

6. Additional factual background regarding the Debtors, including their business operations, capital and debt structures, and the events leading to the filing of these chapter 11 cases is set forth in detail in the First Day Declaration, which is fully incorporated in this Motion by reference.

Relief Requested

7. The Debtors seek entry of the Proposed Order, (a) directing procedural consolidation and joint administration of these chapter 11 cases, and (b) granting related relief. The Debtors request that one file and one docket be maintained for all of the jointly administered cases under the case of Zenergy Brands, Inc. and that the cases be administered under a consolidated caption, as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re: § **Chapter 11**

ZENERGY BRANDS, INC., et al.¹ § **Case No. 19-42886**

Debtors. § **(Jointly Administered)**

¹ The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Zenergy Brands, Inc. (1686); NAUP Brokerage, LLC (7899); Zenergy Labs, LLC (8045); Zenergy Power & Gas, Inc. (1963); Enertrade Electric, LLC (8649); Zenergy & Associates, Inc. (4022); and Zen Technologies, Inc. (7309). The above-captioned Debtors' mailing address is 5700 Granite Pkwy, #200, Plano, TX 75024.

8. The Debtors further request that this Court order that the foregoing caption satisfies the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

9. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket of each of the Debtors, other than Zenergy Brands, Inc., to reflect the joint administration of these chapter 11 cases:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Eastern District of Texas directing joint administration for procedural purposes only of the chapter 11 cases of: Zenergy Brands, Inc., Case No. 19-42886; Enertrade Electric, LLC, Case No. 19-42887; NAUP Brokerage, LLC, Case No. 19-42888; Zen Technologies, Inc., Case No. 19-42889; Zenergy & Associates, Inc., Case No. 19-42891; Zenergy Labs, LLC, Case No. 19-42892 and Zenergy Power & Gas, Inc., Case No. 19-42893. The docket in Case No. 19-42886 should be consulted for all matters affecting this case. **All further pleadings and other papers shall be filed in and all further docket entries shall be made in Case No. 19-42886.**

Basis for Relief

10. Bankruptcy Rule 1015(b) provides, in pertinent part, that "[i]f . . . two or more petitions are pending in the same court by or against . . . (2) a partnership and one or more of its general partners, or (3) two or more general partners, or (4) a debtor and an affiliate, the court

may order a joint administration of the estates.” Fed. R. Bankr. P. 1015. The Debtor entities that commenced chapter 11 cases are “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code. Accordingly, the Bankruptcy Code and Bankruptcy Rules authorize the Court to grant the relief requested herein. Bankruptcy Local Rule 1015-1 further provides for the joint administration of related chapter 11 cases.

11. Joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these chapter 11 cases will affect each Debtor entity. The entry of an order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration also will allow the Office of the United States Trustee for the Eastern District of Texas (the “U.S. Trustee”) and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency.

12. Moreover, joint administration will not adversely affect the Debtors’ respective constituencies because this motion seeks only administrative, not substantive, consolidation of the Debtors’ estates. Parties in interest will not be harmed by the relief requested, but instead will benefit from the cost reductions associated with the joint administration of these chapter 11 cases. Accordingly, the Debtors submit that the joint administration of these chapter 11 cases is in the best interests of their estates, their creditors, and all other parties in interest.

13. Joint administration is generally noncontroversial, and courts in this jurisdiction routinely order joint administration in cases with multiple related debtors. See, e.g., CFO Management Holdings, LLC, Case No. 19-40426; Frisco Wade Crossing Development Partners, LLC, Case No. 19-40427; McKinney Executive Suites at Crescent Parc Development Partners, LLC, Case No. 19-40428; Double Doptine Ranch, LLC, Case No. 19-40429; North-Forty Development LLC, Case No. 19-40430; Christian Custom Homes, LLC, Case No. 19-40431;

Carter Family Office, LLC, Case No. 19-40432; *Station Development, LLC*, Case No. 19-40433, and *Kingswood Development Partners, LLC*, Case No. 19-40434.

14. Based on the foregoing, the Debtors submit that the relief requested is necessary and appropriate, and in the best interests of the Debtors, their estates, creditors and other parties in interest and, therefore, should be granted.

Notice

15. The Debtors will provide notice of this motion to: (a) the U.S. Trustee; (b) the holders of the 20 largest unsecured claims against the Debtors (on a consolidated basis); (c) the United States Attorney's Office for the Eastern District of Texas; (d) the Internal Revenue Service; (e) the state attorneys general for states in which the Debtors conduct business; (f) counsel to TCA Global Credit Master Fund, LP; (g) counsel for TCA Special Situations Credit Strategies ICAV, the Debtors' senior lender; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002.

16. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

17. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: October 24, 2019

Respectfully Submitted,

/s/ Marcus A. Helt

Marcus A. Helt (TX 24052187)

FOLEY GARDERE

Foley & Lardner LLP

2021 McKinney Avenue

Suite 1600

Dallas, TX 75201

Telephone: (214) 999-3000

Facsimile: (214) 999-4667

Email: mhelt@foley.com

-and-

Jack G. Haake (*pro hac pending*)

FOLEY & LARDNER LLP

Washington Harbour

3000 K Street, N.W., Suite 600

Washington, D.C. 20007-5109

Telephone: (202) 295-4085

Facsimile: (202) 672-5399

Email: jhaake@foley.com

Proposed Counsel for the Debtors and Debtors in Possession

Certificate of Service

I certify that on October 24, 2019, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Eastern District of Texas.

/s/ Marcus A. Helt

Marcus A. Helt